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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

)
) Policies and Rules for
) Licensing Fallow 800 MHz
) Specialized Mobile Radio
) Spectrum Through a Competitive
) Bidding Process
)

RM - 7985

ORIGINAL
FILE

To: The Commission

COMMENTS ON PETITION FOR RULEMAKING

Dispatch Communications, Inc. ("Discom"), pursuant to Section 1.405(a) of the Commission's Rules, hereby supports the captioned petition for rulemaking filed by Fleet Call, Inc. on April 22, 1992.¹ In support hereof, the following is respectfully shown.

1. Discom is a nationwide provider of two-way mobile services in the 800 MHz Specialized Mobile Radio ("SMR") band and the below-470 MHz Business Radio Service band. As such, Discom is familiar with the problems of land mobile frequency congestion in major markets and the growing demand for advanced digital technologies which would use such spectrum more efficiently.

2. Fleet Call's petition proposes a new method of assigning SMR spectrum. Essentially, the Fleet Call plan would assign frequencies in large blocks of up to 105 channels, rather than the usual five-channel blocks, and award these "innovator blocks" by auction rather than the usual first-come first-served approach. Fleet Call believes this new licensing system will help SMR carriers assemble and finance the more expensive digital networks of the future and expedite such digital technologies to the public

¹ Public Notice of May 11, 1992 (Report No. 1889)

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by the most fair and efficient means possible.

3. Discom fully supports Fleet Call's innovator block licensing proposal. The plan would not only make use of numerous 800 MHz channels nationwide which have remained fallow for years, but would do so in a way which accelerates the desired growth of digital mobile networks. The new networks, in turn, would promote competition in the land mobile communications market and help satisfy the public's growing demand for additional mobile spectrum capacity and improved SMR services.

4. As the Commission is aware, Discom has recently joined four other SMR carriers to form a digital mobile roaming consortium aimed at providing seamless coverage for SMR customers nationwide. The goal of nationwide SMR coverage would be greatly advanced by the innovator block proposal, as more networks convert to the digital transmission mode and link their coverage areas with those of neighboring digital systems. As a result, SMR services would compete more effectively with other nationwide mobile service offerings.

5. The auction feature of Fleet Call's proposal, while controversial, is vastly superior to the available alternatives. As the Commission has observed from past licensing experience, comparative hearings consume enormous amounts of time and money for both the public and the Commission, and lottery selection procedures have proven too vulnerable to fraud, even where regulatory safeguards are built in. Auctions would effectively provide a given block of channels to whichever applicant desires it

most, and is most willing to assume the risks of developing a digital network in the given market. In this way, genuine entrepreneurs could fulfill the spectrum demands of their customers without interference from insincere speculators.

6. A growing contingent in the U.S. Congress agrees that auctions should be tried, at least under limited circumstances. Similarly, the FCC Commissioners have generally supported the use of auctions in the context of Personal Communications Services ("PCN") and related innovative technologies. Like PCN, the SMR service would be a natural environment to introduce such an experimental licensing approach.

7. As the Commission considers these important issues, it should not permit insincere speculators to defeat the innovator block petition before the pleading receives a fair hearing. Specifically, Discom was disturbed to find that immediately after Fleet Call submitted its filing, a group of apparently related parties filed questionable applications for many of the same channels that would have been earmarked for innovator blocks. If the Commission routinely grants these applications, it will unfairly undercut its rulemaking procedures, permit possibly widespread violations of its real party in interest standards, and effectively kill the innovator block proposal in the crib. Therefore, Discom supports Fleet Call's more recent petition urging the Commission to hold the suspect applications in abeyance and subject them to an inquiry under Section 403 of the Communications Act of 1934, as amended. If the applications are found to violate

the above rules and policies, they should be uniformly dismissed.

8. Given the enormous potential advantages of the innovator block plan, Discom urges the Commission to: (1) temporarily refrain from granting any further applications for the proposed innovator block channels until the pending applications for those channels are investigated; (2) work with Congress to amend the Communications Act as necessary to permit the introduction of license auctions; and (3) swiftly adopt a Notice of Proposed Rulemaking to examine Fleet Call's proposal in more detail.

Respectfully submitted,

DISPATCH COMMUNICATIONS, INC.

By:


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